

## Message Text

LIMITED OFFICIAL USE

PAGE 01 TEGUCI 03970 231955Z

64

ACTION EB-11

INFO OCT-01 ARA-16 EA-11 ISO-00 AID-20 CIAE-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 /105 W

----- 057251

R 192307Z OCT 73

FM AMEMBASSY TEGUCIGALPA

TO USDOC WASHDC

INFO SECSTATE WASHDC 5510

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

MEMBASSY TOKYO )

AMEMBASSY KUALA LUMPUR

LIMITED OFFICIAL USE TEGUCIGALPA 3970

E.O. 11652: N/A

TAGS: ETRD EIND HO JA

SUBJECT: STATUS REPORT: AGALTECA STEEL PROJECT

REF: TEGUCIGALPA 2238 STATE 129634

1. HONDURAN DELEGATION CONSISTING OF MINECON ABRAHAM BENNATON, CENTRAL BANK PRESIDENT ALBERTO GALEANO, AND CABEI PRESIDENT ENRIQUE ORTEZ COLINDRES RETURNED THIS WEEK FROM VISIT TO TOKYO AND MALAYSIA FOR DISCUSSIONS WITH NIPPON STEEL CORPORATION AND GOJ RE ESTABLISHMENT STEEL MILL AT ANALTECA.

2. GOH PUBLIC STATEMENT ISSUED AFTER DELEGATION'S RETURN EXPLAINED THAT NIPPON STEEL HAD DECIDED TO COOPERATE FULLY IN THE AGALTECA PROJECT AND THAT A JAPANESE TECHNICAL MISSION WOULD VISIT HONDURAS IN JANUARY TO WORK OUT DETAILS, INCLUDING AN INCREASE IN PLANNED PRODUCTION FROM 100,000 TONS TO 200,000 TONS. A REVISED FINANCIAL STUDY TAKING INTO ACCOUNT

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TEGUCI 03970 231955Z

THE CURRENT WORLD MARKET COST SITUATION IS TO BE COMPLETED

BY APRIL 1974 AND NIPPON THEN WILL PROCEED WITH TECHNICAL ASSISTANCE INCLUDING PLANT DESIGN, EQUIPMENT SPECIFICATIONS, TRAINING, ETC.

3. ACCORDING TO THE GOH STATEMENT, NIPPON IS PREPARED TO PARTICIPATE WITH CAPITAL IN THE ENTERPRISE AND DISCUSSIONS CONCERNING FINANCING WHICH BEGAN WITH GOJ AGENCIES DURING THE DELEGATION'S VISIT WILL RESUME AFTER APRIL 1974. THE STATEMENT EXPRESSES GOH SATISFACTION WITH THE OUTCOME OF TALKS WITH THE JAPANESE AND CONCLUDES THAT STEEL WILL START BEING PRODUCED IN HONDURAS BY 1977.

4. COMMENT: THE REALIZATION OF THE AGALTECA PROJECT IS NO DOUBT DEPENDENT UPON FAVORABLE FINANCING ARRANGEMENTS WITH THE JAPANESE, BUT CONSIDERING THE CURRENT WORLD MARKET PRICES FOR STEEL, THE EXECUTION OF THE PROJECT SEEMS MUCH CLOSER TO FRUITION THAN EVER BEFORE.  
SANCHEZ

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973TEGUCI03970  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** TEGUCIGALPA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731020/aaaaaoeg.tel  
**Line Count:** 79  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 73 TEGUCIGALPA 2238 STATE 129634  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 13 NOV 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <13-Nov-2001 by shawdg>; APPROVED <18-Dec-2001 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** STATUS REPORT: AGALTECA STEEL PROJECT  
**TAGS:** ETRD, EIND, HO, JA  
**To:** WASHDC SECSTATE WASHDC GUATEMALA MANAGUA SAN JOSE SAN SALVADOR MEMBASSY TOKYO KUALA LUMPUR  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005